

BUSINESS

EU slaps duties on Cambodia exports over rights concerns

The European Union on Wednesday began to reimpose customs duties on certain exports from Cambodia in response to what it said are concerns about the Southeast Asian country's human rights record.

The European Commission, which supervises trade deals and relations on behalf of the 27 member nations of the world's biggest trading bloc, said the duties would be put on clothes,

footwear and travel goods.

The commission announced in February that it planned to withdraw key tariff preferences amounting to about one-fifth of the 1 billion euros (\$1.2 billion) worth of Cambodian exports that go to the EU each year due to "serious and systematic concerns related to human rights."

Trade Commissioner Phil Hogan said the EU gave Cambo-

dia opportunities to develop its export industry and create jobs, and that the bloc would continue to provide help to combat the impact of the coronavirus in the country.

"Nonetheless, our continued support does not diminish the urgent need for Cambodia to respect human rights and labor rights," Hogan said in a statement.

He said free access to Eu-

rope's market might be restored "provided we see substantial improvement in that respect."

In February, Cambodia's Foreign Ministry expressed regret about the EU intentions, saying the move to bring back customs duties was politically driven and "triggered by many misperceptions and misunderstandings about the actual realities in Cambodia." (AP)

Brussels Airlines H1 losses

As a result of the coronavirus pandemic and its unprecedented impact on the aviation sector, Brussels Airlines announced Thursday a loss of 182 million euro (\$215 million) in the first six months of 2020. First half revenues fell to 252 million euro (\$298 million), 63% below their previous-year level, said Brussels Airlines, which is a subsidiary of German airlines Lufthansa, it said in a press re-

lease today.

The biggest airline in Belgium said it transported 67% fewer passengers between January and June and the seat load factor dropped by 7.4 percentage points to 72.4%. Brussels Airlines temporarily suspended all scheduled flights from 21 March to 14 June. On 15 June, the airline finally relaunched its commercial flights again, with a limited network. (KUNA)

Asia mostly lower after retreat on Wall Street

Dollar gains versus yen; gold retreats further

TOKYO, Aug 12, (AP): Shares were mostly lower in Asia on Wednesday after Wall Street pumped the brakes on its recent rally.

Tokyo's Nikkei 225 index edged higher, while the Shanghai Composite sank 1.6%.

Overnight, a late slide in big technology companies left indexes broadly lower, breaking a seven-day winning streak for the S&P 500.

A discouraging lack of progress on talks over more economic aid for the US economy, coupled with worries over the coronavirus pandemic and tensions between the US and China, have prompted investors to sell and lock in profits from recent gains, analysts said.

"When you walk back the market's expectations of an imminent fiscal deal, it is like poking the balloon with a straight pin as all semblance of near-term optimism gets immediately deflated," Stephen Innes of AxiCorp. said in a commentary.

Gained

The Nikkei 225 gained 0.3% to 22,821.28, while Hong Kong's Hang Seng edged 0.2% lower to 24,841.00. In South Korea, the Kospi slipped 0.1%, to 2,417.12. The Shanghai Composite index lost 53 points to 3,287.13. Australia's S&P/ASX 200 declined 0.5% to 6,110.70.

Shares fell in Taiwan, India and most of Southeast Asia.

The yield on the 10-year Treasury rose to 0.65% from 0.57% late Monday, a big move.

The price of gold fell further after breaching \$2,000 per ounce earlier last week, giving up \$56.20 to \$1,890.10.

Benchmark US crude oil for September delivery gained 14 cents to \$41.75 per barrel in electronic trading on the New York Mercantile Exchange. It fell 0.8% to settle at \$41.61 per barrel on Tuesday. Brent crude oil for October delivery picked up 20 cents to \$44.70 per barrel. Overnight, it lost 1.1% to settle at \$44.50 per barrel.

In currency dealings, the US dollar bought 106.73 Japanese yen, up from 106.51 yen late Tuesday. The euro weakened to \$1.1723 from \$1.1744.

Wall Street pumped the brakes on its recent rally Tuesday, as a late slide in



A man photographs an electronic stock board showing Japan's Nikkei 225 index at a securities firm in Tokyo on Aug 12, 2020. Shares were mostly lower in Asia on Wednesday after Wall Street pumped the brakes on its recent rally. (AP)

big technology companies left stocks broadly lower, erasing an early gain.

The reversal left the S&P 500 with a 0.8% loss after having been up 0.6% earlier. The decline in big-name technology stocks like Apple and Microsoft, plus losses in health care and communications stocks, outweighed gains in financial, industrial and energy companies. Tech stocks have far outpaced the rest of the market this year as investors bet they could still thrive in a stay-at-home economy.

The pullback ended the S&P 500's seven-day winning streak. Despite the sell-off, the benchmark index remains within 2% of the all-time high it reached in February, reflecting a stunning turnaround from a nearly 34% tumble in March when the coronavirus pandemic sent stocks into a nosedive.

Investors have grown more confident in recent weeks amid some positive economic data and better-than-expected second-quarter results from companies, suggesting corporate profits could be headed higher in the second half of this year and in 2021. Traders are also increasingly optimistic that

the many pharmaceutical companies working on ways to treat COVID-19 will deliver a working vaccine in the coming months.

"What is a risk worth taking is the assumption that a vaccine will be made available around year-end, and that this vaccine will help eliminate the virus in the coming year," said Sam Stovall, chief investment strategist at CFRA Research.

The S&P 500 fell 26.78 points to 3,333.69. The Dow Jones Industrial Average dropped 104.53 points, or 0.4%, to 27,686.91. The Nasdaq composite lost 185.53 points, or 1.7%, to 10,782.82. The Russell 2000 index of small company stocks gave up 9.57 points, or 0.6%, to 1,575.10.

European and Asian markets closed broadly higher. Treasury yields rose, a sign that pessimism about the economy is easing. Oil prices fell.

The stock market is on pace for its fifth month of gains in a row, even as the broader US economy continues to struggle. While there have been some positive signs, including a larger-than-expected increase in hiring in July, the

economy remains hobbled by high unemployment and an uneven reopening by businesses as the number of new confirmed coronavirus cases has increased in recent weeks. The outlook for a full economic recovery is clouded by worries that the resurgence in infections could force the economy to back-track.

Unprecedented actions by the Federal Reserve to stabilize markets this spring, including lowering interest rates and ramping up bond purchases, have made stocks attractive relative to other assets and given traders enough confidence to keep snapping up stocks.

Meanwhile, investors continue to keep an eye on Washington for a fresh lifeline for the US economy. On Saturday, Trump issued executive orders to extend an expired benefit for unemployed workers, among other things, in response to a collapse of negotiations on Capitol Hill for another economic rescue bill. Critics said the moves did not go far enough to support the economy and questioned how they would work.

Moody's buys MARC stake, boosts presence in ASEAN

NEW YORK, Aug 12, (Agencies): Moody's Corporation announced that it has acquired a minority stake in Malaysian Rating Corporation Berhad (MARC), a credit rating agency serving the Malaysian domestic bond and sukuk markets. The investment strengthens Moody's presence in Southeast Asia and across domestic bond markets globally, and advances its position as a leader in Islamic finance.

Based in Kuala Lumpur, MARC covers corporates and financial institutions, with key strengths in infrastructure and project finance. In addition to its rating services, MARC provides economic and fixed-income research, credit risk solutions, sustainability-linked offerings and finance-related online training programs.

"Malaysia's robust domestic bond market presents an attractive opportunity for Moody's, and we are excited to build upon our partnership with MARC and its growing portfolio of ratings and services," said Wendy Cheong, Managing Director and Head of Moody's Investors Service Asia Pacific.

The investment strengthens Moody's presence in Malaysia, a key market within the Association of Southeast Asian Nations (ASEAN). Malaysia has the region's largest domestic corporate bond market and has established itself as a global hub for Islamic finance, with the world's largest sukuk market.

"MARC is a leader in the sukuk rating space, having rated the single largest corporate sukuk issuance and other noteworthy sukuk,"

said Datuk Jamaludin Nasir, MARC's Group Chief Executive Officer. "This strategic partnership with Moody's deepens MARC's commitment to the sustainable development of Malaysia's capital markets."

MARC was named the Best Islamic Rating Agency in the Global Islamic Finance Awards in six of the past seven years - in 2014, and each year from 2016 to 2020.

The investment complements Moody's existing cross-border ratings and research coverage in Malaysia as well as its market outreach activities, including its annual Inside ASEAN conference and Islamic Finance Briefing held in Kuala Lumpur.

MARC will continue to operate as an independent entity and will remain separate from Moody's Investors Service and its credit rating processes and activities.

The investment was funded with cash on hand and is not expected to have a material effect on Moody's 2020 financial results.

Moody's is a global integrated risk assessment firm that empowers organizations to make better decisions. Our data, analytical solutions and insights help decision-makers identify opportunities and manage the risks of doing business with others.

We believe that greater transparency, more informed decisions, and fair access to information open the door to shared progress. With over 11,200 employees in more than 40 countries, Moody's combines international presence with local expertise and over a century of experience in financial markets.

Turkish ship starts energy search amid standoff with Greece

ANKARA, Turkey, Aug 12, (AP): A Turkish seismic research vessel has begun surveying for energy resources in contested areas of the eastern Mediterranean, Turkey's energy minister said Wednesday, amid an escalation of tensions between rivals Greece and Turkey over oil and gas exploration rights.

Turkey's seismic surveying ship, Oruc Reis, was "taking the x-ray of our seas," Energy and Natural Resources Minister Fatih Donmez said on Twitter. He said the vessel had also lowered 1,750 kilometers (1,087 miles) of seismic cables into the Mediterranean.

Turkey dispatched the Oruc Reis and two support vessels to undertake seismic research for energy resources in the eastern Mediterranean in an area Greece says is on its continental shelf. The move reignited tensions between NATO allies Greece and Turkey, both of which have warships shadowing the Turkish research vessel.

Greece has called on Turkey to withdraw vessels from the area. Turkey said Tuesday it would not back away from its search activities, adding that it plans to issue new exploration licenses for the area despite an escalating dispute with Greece over drilling

rights.

Greek Foreign Minister Nikos Dendias is scheduled to meet with US Secretary of State Mike Pompeo on Friday in Vienna, his ministry said Wednesday. Talks are to focus on Turkey's actions and developments in the eastern Mediterranean.

European Union foreign policy chief Josep Borrell tweeted on Wednesday that he was calling an extraordinary Foreign Affairs Council meeting for Friday, to discuss the situation in the eastern Mediterranean, as well as the presidential elections in Belarus and developments in Lebanon after a mas-

sive deadly explosion there.

Greece had called for the emergency meeting over what it termed the "growing Turkish provocation and delinquency," and Dendias would be participating via video link from Vienna.

Turkey announced that the Oruc Reis would be operating in the Mediterranean Sea between Cyprus and Greece until Aug 23. The vessel arrived in the area Monday morning, escorted by Turkish warships. Greek warships were in the area monitoring the Oruc Reis, and the military was on alert, officials said.

German Maas confronts Pompeo

BERLIN, Aug 12, (AP): German Foreign Minister Heiko Maas said Monday he has personally told US Secretary of State Mike Pompeo of his "dismay" over a warning by three Republican senators who threatened sanctions against a German port operator for its part in a pipeline project with Russia.

The US has long opposed the project, which has been increasingly a source of friction between Berlin and Washington as it nears completion.

Maas said he talked by telephone with Pompeo on Sunday about the letter sent last week by Sen Ted Cruz, Sen Tom Cotton and Sen Ron Johnson, which targeted Faehrhafen Sassnitz GmbH, the operator of the Mukran Port located in German Chancellor Angela Merkel's constituency on the Baltic Sea island of Ruegen.

He did not provide further details of the conversation.

The port is a key staging post for ships involved in the construction of the Nord Stream 2 pipeline that's intended to bring natural gas from Russia to Germany.

The US argues the project will endanger European security by making Germany overly dependent on Russian gas. It's also opposed by Ukraine and Poland, which will be bypassed by the pipeline under the Baltic sea, as well as some other European nations.

In addition to the security concerns, the US also wants to sell more of its own liquefied natural gas, or LNG, to Germany - Europe's largest economy.

In the letter, the three senators say the message "serves as formal legal notice" that the port operator, its board members, corporate officers, shareholders, and employees risk "crushing legal and economic sanctions" unless they stop providing goods, services and support for the Nord Stream 2 project.

exchange rates - Aug 12

	US dollar			Sterling pound			Euro			Japanese yen			Swiss franc			Canadian dollar			Swedish krona			Saudi riyal			UAE dirham			Bahraini dinar			Omani riyal			
	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer	Cash	Drift	Transfer				
BEK	Buy	0.02850	0.04600	0.04600	392207	391706	391706	351772	353771	353771	0.02788	0.02788	0.02788	327025	328025	328025	224504	222503	222503	0.03046	0.03045	0.03045	0.08767	0.08266	0.08266	0.82934	0.82151	0.82151	8.08009	8.07054	8.07054			
	Sell	0.03050	0.06950	0.06950	406107	403706	403706	365472	363771	363771	0.02968	0.02968	0.02968	338025	335025	335025	233504	235503	235503	0.03846	0.03845	0.03845	0.02067	0.01996	0.01996	0.83768	0.83652	0.83652	8.16129	8.15554	8.15554			
Muzzaini	Buy	-	0.01500	0.01500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
	Sell	-	0.06700	0.06700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Commercial Bank	Buy	299000	305550	305550	397000	398743	398743	357000	359006	359006	0.02861	0.02861	0.02861	331000	333971	333971	228000	228025	228025	0.03489	0.03489	0.03489	0.01139	0.01383	0.01383	0.82840	0.83089	0.83089	8.07085	8.09549	8.09549			
	Sell	307900	307650	307650	404000	401483	401483	364000	361473	361473	0.02881	0.02881	0.02881	338000	336266	336266	235000	229594	229594	0.03513	0.03513	0.03513	0.01955	0.01943	0.01943	0.83672	0.83661	0.83661	8.15197	8.15119	8.15119			
Gulf Bank	Buy	-	0.05550	0.05550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
	Sell	-	0.07650	0.07650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
NBK	Buy	-	0.05550	0.05550	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sell	-	0.07650	0.07650	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Burgan Bank	Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sell	-	0.03400	0.03400	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ABK	Buy	305300	302800	302800	396190	394730	394730	355340	354210	354210	0.02850	0.02850	0.02850	330250	330250	330250	226960	226960	226960	0.03440	0.03440	0.03440	0.08440	0.08440	0.08440	0.82540	0.82540	0.82540	8.01950	8.01950	8.01950			
	Sell	307400	308900	308900	409500	405790	405790	368590	364710	364710	0.02930	0.02930	0.02930	342090	342090	342090	233770	233770	233770	0.03770	0.03770	0.03770	0.08250	0.08250	0.08250	0.84260	0.84260	0.84260	8.17280	8.17280	8.17280			
KFH	Buy	303590	305300	305300	395153	397836	397836	354715	357170	357170	0.02863	0.02863	0.02863	331884	331884	331884	228142	228142	228142	0.03472	0.03472	0.03472	0.081309	0.081309	0.081309	0.83007	0.83007	0.83007	8.09449	8.09449	8.09449			
	Sell	309120	307400	307400	406802	403770	403770	365627	362824	362824	0.02911	0.02911	0.02911	337951	337951	337951	231476	231476	231476	0.03526	0.03526	0.03526	0.082070	0.082070	0.082070	0.83799	0.83799	0.83799	8.15774	8.15774	8.15774			
KBE	Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sell	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Danish krone	Cash	0.44181	0.44358	0.44358	0.04323	0.04014	0.04014	0.01403	0.01804	0.01804	0.01327	0.01608	0.01608	0.02974	0.03596	0.03596	0.05889	0.05786	0.05786	210606	207872	207872	0.03770	0.03693	0.03693	217772	218391	218391	4.27684	4.26814	4.26814			
	Sell	0.49181	0.49358	0.49358	0.05223	0.04115	0.04115																											